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SUBJECT: AMBASSADOR RICE MEETS WITH CHINESE VFM HE YAFEI

Classified By: Ambassador Wolff for Reasons 1.4 (b) and (d).

11. (C) Summary: During a cordial meeting on May 14, Ambassador Rice and Chinese Vice Foreign Minister He Yafei agreed to work together to maximize commonalties and minimize disagreements on UN issues. The two also agreed to increase cooperation on African issues. He Yafei said the North Koreans want dialogue with the United States "first and foremost" adding that even the possibility of engagement may discourage North Korea from taking additional provocative action. Ambassador Rice responded that the U.S. is not opposed to direct dialogue but it should not be a substitute for the Six Party process. They agreed on basic precepts regarding Security Council reform, including modest Council expansion, no change to the current veto configuration and ensuring Council legitimacy with any enlargement agreed by the broadest possible consensus. However, He Yafei reiterated China's ongoing concern with Japan gaining a permanent seat on the Council. Both also agreed that the outcome document for the upcoming UN Conference on the World Financial and Economic Crisis and its Impact on Development "needed fixing." He Yafei said China would consider the U.S. request to allow critical terrorism designations in the 1267 Committee linked to the Lashkar-e-Tayyiba terrorist group to move forward. End Summary.

Africa

12. (C) On Africa, Ambassador Rice stressed the importance of working together to maximize commonalties and minimize disagreements, particularly in the UN context. He Yafei agreed that the United States and China often share similar goals but differ on means, adding that China generally takes a more cautious approach. The two agreed to try to increase cooperation on African issues.

DPRK

- 13. (C) VFM He Yafei said that China was "frustrated" with recent developments in North Korea. He added that the North Koreans told the Chinese that Six-Party Talks were dead, but could not confirm that the regime would give up talks entirely. China has urged restraint and emphasized the need to return to Six Party Talks. He also said that "first and foremost" the North Koreans want direct engagement with the United States. As long as the possibility for engagement is kept alive, he continued, there is a strong chance that the DPRK will not escalate.
- 14. (C) Ambassador Rice questioned North Korea's recent behavior, which did not indicate the leadership's interest in bilateral talks. He Yafei responded that recent actions were likely an effort to get U.S. and international attention. He said the situation in North Korea is "complicated." The DPRK has a stated objective to become a "strong nation" by 2012, he continued, and the recent satellite launch showed the people of North Korea that they are "almost there." He also touched on possible internal succession issues, which he thought would not destabilize the country but might slow things down and asked that the U.S. be patient. Ambassador Rice assured He Yafei that the United States is not averse to direct dialogue, but emphasized that dialogue should not be a substitute for the Six Party process. She stressed the importance of persuading the DPRK to return to Six Party Talks, dissuading them from any further action, and working

together with China to find a common way forward without the urgency of another crisis.

UNSC Reform

- 15. (C) Ambassador Rice told He Yafei that the United States continues to review its policy on Security Council reform. She stressed that the Obama administration recognizes the need for Council expansion to reflect the realities of the 21st century but commented that expansion must be modest in order to maintain the Council's effectiveness and efficiency. She said the U.S. does not agree with adding permanent seats representing regions without knowing what countries would occupy the seats, and is not interested in changing the current configuration of the veto. Rice said that the U.S. has avoided taking sides between the Group of Four and Uniting for Consensus blocs and is approaching the issue with genuine open-mindedness. Ambassador Wolff added that obtaining a two-thirds majority in support of a proposal for Council expansion would leave one-third of the membership unhappy. A successful proposal should enjoy the widest possible political support.
- 16. (C) Ambassador Rice noted that the Africa Group was paralyzed with an untenable position -- Egypt and South Africa are unwilling to budge on insisting on two permanent seats for Africa with the veto -- but the U.S. is in no hurry to intervene. Ambassador Wolff added that the United States and China have excellent cooperation on this issue and remarked that there is a real risk that President of the General Assembly (PGA) D'Escoto will want to take action to demonstrate progress before he finishes his tenure in September. In response to He Yafei's question about a solution forced on the Council or rushed through the General Assembly, Rice responded that the possibility exists, but added that intervening prematurely could accelerate the process and precipitate a bad decision by the Assembly.
- 17. (C) Ambassador Wolff said the dynamics surrounding the intermediate solution needed to be watched carefully. Japan and Germany are playing with the idea and Brazil is approaching it with caution. If India shows interest in it, however, the situation could turn and reform could move much more quickly. Rice reiterated that adding for example two Africa seats without knowing who would occupy the seats is not a workable solution for the United States. He Yafei commented that it would take time for each region to identify candidates for the seats.
- 18. (C) In response to Ambassador Rice's question about China's bottom line, He Yafei said that China believes the Council needs to be more representative but should not be too large. China does not have a specific size in mind for an expanded Council, he said. Like the U.S., he commented, China wants to anchor an expanded Council's legitimacy with the widest possible consensus, agreeing that the two-thirds majority would leave one-third unsatisfied. He also said that adding Japan remained an issue for China. Ambassador Rice commented that it would be difficult to envision expansion of the Council without the UN's second largest contributor, which He Yafei acknowledged. He Yafei said that it is too early and the conditions are not right for the P5 to come to any consensus on reform, stressing the need for the United States, China and Russia to reach a consensus before bringing in the UK and France, which have different objectives in a reform process (i.e. holding on to their seats). He Yafei said that Russia would not be a problem and once the U.S. and China come to an understanding, Russia will "come along." Rice emphasized the need to stay in close contact on the issue and share information. He Yafei agreed.

Financial Crisis

19. (C) Ambassador Rice said that the PGA's draft for the outcome document for the Conference on the World Financial and Economic Crisis and its Impact on Development (1-3 June 2009) is unworkable and crosses many U.S. redlines. Ambassador Wolff commented that by tabling such a divisive

draft, the PGA lost support from the membership -- even the developing countries. He has since realized his mistake, however, and will be returning early from a trip overseas to put the process back on track. Wolff suggested that the best way forward would be to allow the PGA to save face by considering his draft "inspirational guidance," while focusing on a new text. He added that the Mission is assembling a group of G77 members of the G20, including China, to discuss the conference with Deputy NSA Michael Froman on May 15. Rice stressed and He Yafei agreed on the importance of working together closely to ensure the conference is consistent with G20 objectives and building the broadest possible consensus to salvage the process and ensure a responsible role for the UN in development

1267 Designations

110. (C) Ambassador Rice noted that China had blocked three critical new terrorism designations in the 1267 Committee, which were linked to the Lashka-e-Tayyiba (LeT) terrorist group. She pressed He Yafei to allow the designations to move forward in the Committee. He Yafei responded that China would consider her request and take another look.

Wolff